



## Buying or Selling a Home

Buying or selling a home is often the largest and most complicated financial transaction a person will make in his or her life. If you use a real estate agent, there are many things you should know, including:

### **Sellers:**

- After deciding to use a realtor, a seller should find a good realtor based on references.
- As a seller, you have the right to negotiate the commission and terms of your listing agreement with the listing agent.
- Six (6) months is often a requested listing period, but three (3) months may be sufficient time to sell your home or to determine whether a real estate agent is doing a good job for you.
- Listing agreements may be renewed, but be wary of signing one that can be automatically renewed.
- Before you sign a listing agreement, it is recommended that you talk with several agents.
- Find out what each agent will do for his or her fee including the type and quality of the sales campaign each will conduct.
- As a seller, you have the right to have an attorney review both the listing agreement and the sales agreement before you sign them.
- Even though the agent represents you, remember he/she does not get paid unless a sale is made.
- Deal honestly and in good faith with buyers; do not fail to disclose material defects in your home.

## **Buyers:**

- Find a good realtor and agent by obtaining reliable references.
- As a buyer, you have the right to have an attorney review the agreement of sale before you sign it and to represent you at the settlement table.
- As a buyer, you have the right to have a “buyer’s broker” represent your interests in finding a home.
- If you choose this arrangement, it is recommended that you talk with several agents before you sign an agreement. Find out what each agent will do for his or her fee.
- You can negotiate the terms of a buyer brokerage agreement including the fee (e.g., a flat fee, a percent of the sale price, or a percent of the listing), the length of the contract (e.g., one day, one month, or one year), where the fee will come from (e.g., from the transaction).
- As a buyer you have the right, and are well-advised to hire your own title company or attorney to do the title search and provide the title insurance for the property.
- Shop around for a good loan – it’s a competitive market.
- Ask about VA, FHA, or other loans for which you may qualify.
- Read all home warranties carefully, because their coverage is often quite limited.
- A sales agreement must contain the zoning classification of the property except where the property is zoned solely or primarily to permit single family dwellings. Check into how your neighborhood is zoned.

## **Buyers and Sellers:**

You may face a situation where the same person represents both the buyer and the seller, or it may be two different agents who work for the same real estate company.

- You must be informed of any conflicts of interest that exist and both the buyer and seller must agree to the arrangement.
- This type of arrangement may be acceptable if you do not need the assistance of a real estate agent in the transaction; but, if you do, it may be to your advantage to reject the arrangement.
- Before you disclose any information to a real estate agent, be advised that unless you select an agency relationship by signing a written agreement providing for such a relationship, the real estate agent is NOT REPRESENTING YOU.

- In Pennsylvania, a business relationship of any kind will **NOT** be resumed but must be established between the consumer and the agent.

**A real estate agent owes you the following duties:**

- To exercise reasonable, professional skill and care;
- To deal honestly and in good faith;
- To present all offers, counteroffers, notices and communications to and from the parties in writing in a timely manner. (The duty to present written offers and counteroffers may be waived if the waiver is in writing);
- To account for escrow and deposit funds;
- To provide assistance with document preparation;
- To advise you to seek expert legal advice on matters about the transaction that are beyond the agent's expertise;
- To keep you informed about the transaction and the tasks to be completed; and,
- To disclose all financial interests.

**Real Estate Commission**

The Pennsylvania Real Estate Commission regulates real estate brokers and real estate agents.

Real estate brokers and agents are prohibited from, among other things, making misrepresentations, or engaging in any conduct which demonstrates bad faith, dishonesty, untrustworthiness, or incompetency.

If you have a complaint about the way in which a real estate broker or real estate agent conducted themselves on your transaction, you can file a complaint:

**Real Estate Commission  
Bureau of Professional and Occupational Affairs  
Pennsylvania Department of State  
2601 North 3rd Street  
PO Box 2649  
Harrisburg, PA 17105-2649  
1-800-822-2113**